

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

CITY OF CINCINNATI,	:	Case No. A1905588
	:	(Judge Wende C. Cross)
Plaintiff,	:	(Magistrate Anita P. Berding)
	:	
v.	:	
	:	MOTION BY RECEIVER TO APPROVE
JOHN KLOSTERMAN, et al.,	:	SALE OF PROPERTIES BY
	:	<u>PUBLIC AUCTION</u>
Defendants.	:	

Comes now Konza, LLC as the receiver for the properties subject to this judgment lien foreclosure action (collectively, the “Properties”) by order entered February 14, 2020 (the “Receivership Order”) and moves the Court for entry of an order approving the sale of all the Properties by auction according to substantially the same terms as set forth in the document attached titled Receiver’s Auction Terms for Klosterman Sedamsville Properties (the “Auction Term Sheet”).

The Receivership Order expressly states in paragraph 17 that the Receiver may sell any of the Properties upon approval by the Court. The Auction Terms Sheet contains terms for an auction conducted by the Receiver and Jennifer Donathan of Keller Williams Advisors as the Receiver’s listing realtor. The auction will be publicized for 30 days and bidding will be online and open for 30 days. The Auction Term Sheet establishes a reasonable and expeditious procedure for selling the Properties.

Wherefore the Receiver respectfully prays the Court enter an order approving the sale of the Properties pursuant to the Auction Term Sheet.

EXHIBIT

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Respectfully submitted,

/s/ Richard Boydston

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CERTIFICATE OF SERVICE

I certify that copies of the foregoing and the attached served on each of the following by email on July 13, 2021.

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/s/ Richard Boydston

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The following are the terms and conditions of an auction of the properties under the control of Konza, LLC as the Receiver appointed by the Hamilton County Court of Common Pleas in Case Number A1905588, styled *City of Cincinnati v. John C. Klosterman, et al* (the "Receiver"). The properties are all located in the Sedamsville neighborhood of Cincinnati and consist of 23 buildings and 39 vacant lots (collectively, the "Property"). The addresses and parcel numbers of the properties and general descriptions and current monthly rents (if any) are included in the attached Property List attached marked Exhibit A. Legal descriptions of the properties are included in the motion filed March 29, 2021 in the foregoing case by Plaintiff City of Cincinnati (the "City") and the supporting affidavits filed by it that date and on June 3, 2021.

1. The Receiver will offer all the properties for sale through Jennifer Donathan of Keller Williams Advisors as the Receiver's listing realtor (the "Listing Realtor").
2. A listing price will be assigned to each of the Properties.
3. The auction will be publicized nationally for a minimum of 30 days.
4. Bids must be submitted by email to the Listing Realtor and to the Receiver and will not be disclosed by either of them prior to the close of bidding to anyone other than (1) the City of Cincinnati, (2) John Klosterman, and (3) if ordered by the Court, in camera to the Court and any person specified by the Court in a separate order.
5. Bidding will be open for 30 days (the "Bidding Period").
6. All sales will be cash except as may be otherwise agreed by the Receiver and the City.
7. Closing will be within fifteen (15) days after approval of the sale by the Court.
8. In the event there is no acceptable bid on any specific Property, then the Receiver may sell a right of first refusal on that Property.
9. Certain of the buildings will be offered only with and including adjacent vacant lots (the "Buildings with Vacant Lot(s)") and certain of the other vacant lots will be offered only with one or more other vacant lots (the "Grouped Vacant Lots"). Lists of the Buildings with Vacant Lot(s) and the Grouped Vacant Lots are attached respectively marked Exhibit B and C. In addition, a list of vacant lots to be offered for sale separate from any building or any other vacant lot is attached marked Exhibit D ("Single Vacant Lots").
10. The church at 637 Steiner and the rectory at 639 Steiner will be sold together and subject to the following conditions:
 - a. the purchaser must remove all Cincinnati Building Code violations on the church within two years of closing. The two year deadline shall be extended for events beyond the purchaser's control, such as delays caused by force majeure events or delays caused by the City of Cincinnati.
 - b. the purchaser must escrow \$50,000 to secure the performance of the purchaser's obligation to remove all Cincinnati Building Code violations on

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the church. Such escrow may be drawn upon by purchaser by submitting invoices to the escrow agent for labor and materials for the church and/or the rectory. The escrow agent will be agreed upon by the Receiver and the purchaser and if there is no agreement then the escrow agent will be designated by the City of Cincinnati. The escrow fee will be paid 75% by the Receiver and 25% by the purchaser.

- c. In the event the purchaser fails to remove all Cincinnati Building Code violations within two years (or as extended as provided above), then the title to the church and rectory shall revert to an entity formed to hold title to the Properties pending liquidation and the purchaser shall have a lien on the church and the rectory in an amount equal to the funds expended by the purchaser to remove the violations.

11. All of the Properties will be offered for sale as set forth above and also in bulk, first including the church and rectory and, second, also in bulk but excluding the church and the rectory.

12. Unoccupied building will be available for inspection at specified times and on three days during the bidding period and announced prior to commencement of the 30 day bidding period.

13. At the conclusion of the bidding period all bidders will be notified of the highest bid for each Property on which they bid. All bidders on each Property will have five calendar days after such notification is sent to rebid on any Property on which the bidder made a bid during the initial 30 day bidding period.

14. In the event no winning bid is received on any set of Grouped Vacant Lots or on any Single Vacant Lot, then the Grouped Vacant Lots and the Single Vacant Lots without a winning bid will be sold to the winning bidder of the building set forth in the list marked Exhibit E (collectively, the "Added Lots") or as the Receiver may otherwise specify in the final bidding instructions published prior to the Bidding Period. The sale of the Added Lots shall be a requirement for the sale of the building to the winning bid on the building.

15. All Cincinnati Building Code violations for each of the buildings, to the best of the Receiver's knowledge, are listed in the attached Building Code Violation List marked Exhibit F.

16. All purchasers of all of the Properties must be acceptable to the City and that acceptance is primarily conditioned on the absence of any violation of the Cincinnati Building Code, either open or closed, on property owned or managed by the purchaser or a person or entity in which the purchaser has any interest, directly or indirectly.

17. Deeds to the following buildings will be held by the Receiver after closing until proof acceptable to the Receiver is delivered to the Receiver that there is no existing Cincinnati Building Code violation on the building:

- a. 628 Delhi
- b. 632 Delhi
- c. 636 Delhi

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- d. 667 Delhi
- e. 671-673 Delhi
- f. 679 Delhi
- g. 700 Delhi
- h. 701 Delhi
- i. 705 Delhi
- j. 742 Delhi
- k. 753 Delhi
- l. 794 Delhi
- m. 649 Sedam
- n. 659 Sedam
- o. 638 Steiner
- p. 649 Steiner
- q. 652 Steiner
- r. 654 Steiner

In the event no such proof is received by the Receiver within 90 days of the closing (or such other later date specifically agreed to in writing by the City), then title to the building shall revert to the Receiver (or to an entity formed to hold title to the Properties pending liquidation), the Receiver shall refund to the purchaser 50% of the purchase price paid to the Receiver and the sale will be voided and the purchaser shall have no further right, title or interest in the buildings and may not bid, either directly or indirectly, for the building in any subsequent sale by the Receiver.

18. The Receiver seeks to recover the highest possible price for all of the Property and to sell all of the Property in the auction. The Receiver will select the winning bids based on those two goals.

19. All sales of all of the Properties will be free and clear of all claims, liens, mortgages and encumbrances which could be removed by payment of money of any kind or nature. Sale proceeds will be aggregated and paid first to the costs of sale and closing including a reasonable commission to the Listing Realtor, next to the Treasurer of Hamilton County, Ohio for unpaid real estate taxes and assessments on all properties, next to Warsaw Federal Savings and Loan Association on its mortgage claims, next to the Receiver for fees and expenses approved by the Court, next to the City of Cincinnati toward its judgment lien and for fees, fines and other amounts due by defendants to the City of Cincinnati, then the balance to John Klosterman.

20. The sale of the properties is made without representation or warranty of any kind or nature other than expressly set forth in this term sheet and the auction notice and instructions.

21. The Receiver has to right to amend these auction terms (a) to correct errors and, subject to the agreement of the City, and (b) based upon any objection to the Receiver's motion to approve these auction terms and/or comments made by prospective bidders which, in the judgment of the Receiver, would likely increase the prospect of more bidders and/or higher bids.

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revisionProperty ListBuildings

this list number	tract #	building street address	building parcel number(s)	current monthly rent
1	58	628 Delhi	152-0042-0058	
2	11	632 Delhi	153-0002-0062	
3	19	636 Delhi	153-0002-0064	
4	14A	667 Delhi	153-0002-0185	
5	1	671-673 Delhi	153-0002-0094	
6	2	679 Delhi	153-0002-0092	
7	20	700 Delhi	153-0002-0037	
8	12	701 Delhi	153-0002-0091	
9	15	703 Delhi	153-0002-0090	
10	17	705 Delhi	153-0002-0089	
11	4	742 Delhi	153-0003-0027	
12	6	753 Delhi	153-0003-0063	
13	5	793 Delhi	153-0003-0048	
14	3	794 Delhi	152-0039-0150	
15	21	685 Halsey	155-0048-0001	
16	16	649 Sedam	153-0002-0140	
17	13	659 Sedam	153-0002-0145	
18	42	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063	
19	10A	638 Steiner	152-0042-0044	
20	9A+9B	639 Steiner	152-0042-0055 152-0042-0057	
21	59	649 Steiner	153-0002-0057	
22	7A+7B	652 Steiner	153-0002-0014 153-0002-0198	
23	18A+18B	654 Steiner	153-0002-0013 153-0002-0199	
			total	

EXHIBIT A

7/13/21
revisionProperty ListVacant Lots

this list #	tract #	address	parcel #(s)
1	40	709 Delhi	153-0002-0086
2	39	714 Delhi	153-0002-0082
3	32	728 Delhi	153-0003-0040
4	31	730 Delhi	153-0003-0038
5	30	732 Delhi	153-0003-0036
6	38	733 Delhi	153-0003-0073
7	37	735 Delhi	153-0003-0072
8	36	737 Delhi	153-0003-0070
9	46	755 Delhi	153-0003-0062
10	29	756 Delhi	153-0003-0008
11	45	757 Delhi	153-0003-0061
12	43	759 Delhi	153-0003-0060
13	28	762 Delhi	153-0003-0006
14	27	764 Delhi	153-0003-0004
15	26	767 Delhi	153-0003-0058
16	53	769 Delhi	153-0003-0056
17	35	773 Delhi	153-0003-0055
18	34	787 Delhi	153-0003-0052
19	33	789 Delhi	153-0003-0050
20	56	679 Fernland	153-0002-0154
21	57	677 Halsey	153-0002-0155
22	14B	646 Sedam	153-0002-0182
23	24	739 Sedam	153-0003-0089
24	48	624 Steiner	152-0042-0032
25	50	624 Steiner	152-0042-0166
26	41	626 Steiner	152-0042-0168
27	55	626 Steiner	152-0042-0034
28	10D	640 Steiner	152-0042-0172
29	44	712 Steiner	152-0038-0011
30	26	767 Steiner	153-0003-0003
31	49	924 Striker	152-0042-0031
32	10B	938 Striker	152-0042-0043
33	10C	940 Striker	152-0042-0045

EXHIBIT A

7/13/21
revisionBuildings with Vacant Lots

this list number	tract #	building street address	building parcel number(s)	contiguous vacant lot(s) tract #(s) address(es)	contiguous vacant lot(s) parcel number(s)	list price
1	58	628 Delhi	152-0042-0058			
2	11	632 Delhi	153-0002-0062			
3	19	636 Delhi	153-0002-0064			
4	14A	667 Delhi	153-0002-0185	14B/646 Sedam	153-0002-0182	
5	1	671-673 Delhi	153-0002-0094			
6	2	679 Delhi	153-0002-0092			
7	20	700 Delhi	153-0002-0037			
8	12	701 Delhi	153-0002-0091			
9	15	703 Delhi	153-0002-0090	52/702 Sedam	153-0002-0196	
10	17	705 Delhi	153-0002-0089			
11	4	742 Delhi	153-0003-0027	23/740 Delhi	153-0003-0028	
12	6	753 Delhi	153-0003-0063	47/751 Delhi	153-0003-0064	
13	5	793 Delhi	153-0003-0048			
14	3	794 Delhi	152-0039-0150			
15	21	685 Halsey	155-0048-0001			
16	16	649 Sedam	153-0002-0140			
17	13	659 Sedam	153-0002-0145			
18	42	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063	51/621 Steiner 52/619 Steiner	152-0042-0067 152-0042-0069	
19	10A	638 Steiner	152-0042-0044	10B/938 Striker 10C/940 Striker 10D/640 Steiner	152-0042-0043 152-0042-0045 152-0042-0172	
20	9A+9B	639 Steiner	152-0042-0055 152-0042-0057			
21	59	649 Steiner	153-0002-0057			
22	7A+7B	652 Steiner	153-0002-0014 153-0002-0198			
23	18A+18B	654 Steiner	153-0002-0013 153-0002-0199			

EXHIBIT B

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revisionGrouped Vacant Lots

Group #	vacant lot full list #	tract #	address	parcel #(s)	description	list price
1	3	32	728 Delhi	153-0003-0040		
	4	31	730 Delhi	153-0003-0038	contiguous to north line of 728	
	5	30	732 Delhi	153-0003-0036	contiguous to north line of 730	
2	6	38	733 Delhi	153-0003-0073	contiguous to south line of 735	
	7	37	735 Delhi	153-0003-0072	next south of 5 door garage on Sedam	
	8	36	737 Delhi	153-0003-0070	contiguous to line of 735; north half of 5 door garage on Sedam	
				153-0003-0071	south half of 5 door garage on Sedam	
3	11	46	755 Delhi	153-0003-0062		
	13	45	757 Delhi	153-0003-0061	contiguous to north line of 755	
	14	43	759 Delhi	153-0003-0060	contiguous to north line of 757	
4	12	29	756 Delhi	153-0003-0008		
	15	28	762 Delhi	153-0003-0006	contiguous to north line of 756	
	16	27	764 Delhi	153-0003-0004	contiguous to north line of 762	
5	18	53	769 Delhi	153-0003-0056	contiguous to north line of 761 – 0058	
	19	35	773 Delhi	153-0003-0055	contiguous to north line of 769	
6	22	56	679 Fernland	153-0002-0154	at southeast side of curve Halsey & Fernland	
	23	57	677 Halsey	153-0002-0155	at southeast side of curve Halsey & Fernland	
7	26	48	624 Steiner	152-0042-0032	contiguous to west line of 624 Steiner – 0166	
	27	50	624 Steiner	152-0042-0166	contiguous to west line of 924 Striker – 0031	
	32	49	924 Striker	152-0042-0031	contiguous to east line of 624 Steiner – 0166	
	28	41	626 Steiner	152-0042-0168	contiguous to east line of 626 Steiner – 0034	
	29	55	626 Steiner	152-0042-0034	contiguous to west line of 626 Steiner – 0168	

EXHIBIT C

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revisionSingle Vacant Lots

this list #	vacant lot full list #	tract #	address	parcel #(s)	description	list price
1	1	40	709 Delhi	153-0002-0086	contiguous to north line of 707 Delhi all way to Sedam	
2	2	39	714 Delhi	153-0002-0082	contiguous to south line of building at 716 Delhi - 0083	
3	15	26	767 Delhi	153-0003-0058	contiguous to north line of 761 Delhi – 0059	
4	18	34	787 Delhi	153-0003-0052	south of building at 787 Delhi	
5	19	33	789 Delhi	153-0003-0050	north of building at 787 Delhi	
6	22	24	739 Sedam	153-0003-0089	contiguous to north line of 737 Sedam	
7	27	44	712 Steiner	152-0038-0011	east side south of 13 houses	
8	28	26	767 Steiner	153-0003-0003	west side north of 13 houses across street	

EXHIBIT D

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Added Lots

vacant lot addresses	parcel number	building address	parcel number

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EXHIBIT E

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list #	address	violation number	description
1.			
2.			
3.			
4.			
5.			
6.			
7.			

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EXHIBIT F